



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:

S.B. 2224, S.D. 1, RELATING TO THE TAX LIEN AND ENCUMBRANCE RECORD.

BEFORE THE:

HOUSE COMMITTEE ON TRANSPORTATION

DATE: Monday, March 12, 2012

TIME: 9:00 a.m.

LOCATION: State Capitol, Room 309

TESTIFIER(S): David M. Louie, Attorney General, or
Michael S. Vincent, Supervising Deputy Attorney General.

Chair Souki and Members of the Committee:

The Department of the Attorney General strongly supports this bill.

The purpose of this bill is to expand the existing tax lien statute to assist state and county agencies in recovering moneys owed for outstanding judgments, by encumbering vehicle titles of any debtor that has an outstanding judgment payable to the State or county. This bill will also require the payment of judgments owed to the State or county as a condition precedent to the vehicle's renewal, registration, or transfer of ownership. Additionally, this bill includes a provision to exempt state or county agencies from paying the statutory fee of \$5 for each recordation.

The encumbrance of motor vehicle titles will strengthen the ability of state and county agencies to recover moneys for outstanding judgments owed to any state or county agency. By requiring the payment of outstanding judgments payable to the State or a county before the renewal, registration, or transfer of ownership of the debtor's vehicle, debtors will be motivated to repay debts owed to state or county agencies. Also, the statutory fee of \$5 per recordation hinders some agencies from utilizing the statute to assist in the recovery of outstanding debts owed to the agency. Waiving the \$5 fee will motivate more state and county agencies to use this recovery tool.

This bill requires judgments to be obtained from a court by the State or counties, in order to satisfy any due process issues, since such judgments are rendered only after ample notice and opportunity to be heard.

We respectfully request passage of this bill.

DEPARTMENT OF CUSTOMER SERVICES
CITY & COUNTY OF HONOLULU
DIVISION OF MOTOR VEHICLE, LICENSING AND PERMITS
ADMINISTRATION
P.O. BOX 30300
HONOLULU, HAWAII 96820-0300

PETER B. CARLISLE
MAYOR



GAIL Y. HARAGUCHI
DIRECTOR

DENNIS A. KAMIMURA
LICENSING ADMINISTRATOR

March 9, 2012

The Honorable Joseph M. Souki, Chair
and Committee Members
Committee on Transportation
House of Representatives
State of Hawaii
State Capitol, Room 426
Honolulu, Hawaii 96813

Dear Chair Souki and Committee Members:

Subject: S.B. No. 2224 SD1, Relating to Tax Lien and Encumbrance Record

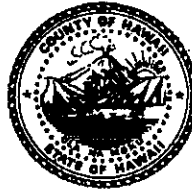
The City and County of Honolulu has no objection to S.B. No. 2224 SD1 which will allow the waiver of the filing fee for state and county agencies, provided the agency specifies the license plate number and/or vehicle identification number of the record to be flagged.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis A. Kamimura".

Dennis A. Kamimura
Licensing Administrator

William P. Kenoi
Mayor



Nancy E. Crawford
Director

Deanna S. Sako
Deputy Director

County of Hawai'i

Finance Department

25 Aupuni Street, Suite 2103 • Hilo, Hawaii 96720
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March 9, 2012

The Honorable Joseph Souki, Chair
and Members of the House Committee on Transportation
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Testimony in Support of Senate Bill No. 2224, SD1
Hearing Monday, March 12, 2012, at 9:00 a.m., Conference Room 309

Hawai'i County supports S.B. 2224, SD1, to allow the recordation of outstanding judgments payable to state or county agencies as a condition precedent to a vehicle's renewal, registration, or transfer of ownership. We believe that this bill will help us to collect amounts owed to us, especially on our sewer and solid waste receivables.

Thank you for your attention to our concerns.

Sincerely,

A handwritten signature in dark ink, appearing to read "Nancy Crawford".

Nancy Crawford
Director of Finance